

Message Text

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ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-06 NEA-09 ISO-00 FEA-01

AEC-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

FPC-01 H-01 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01

PM-03 RSC-01 SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00

FRB-03 SSO-00 NSCE-00 USIE-00 PA-01 PRS-01 INRE-00

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O R 261515Z JAN 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC NIACT IMMEDIATE 1765

INFO AMEMBASSY ABU DHABI

USINT BAGHDAD

AMEMBASSY CARACAS

AMEMBASSY JAKARTA

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

C O N F I D E N T I A L ALGIERS 0235

E.O. 11652: GDS

TAGS: ENRG, AG

SUBJ: OPEC CONFERENCE

REF: ALGIERS 0234

SUMMARY: OPEC CONFERENCE IN ALGIERS CLOSED JANUARY 26

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WIT COMMUNIQUE ANNOUNCING DECISION TO HAVE OPEC SUMMIT

IN ALGIERS LATE FEBRUARY OR EARLY MARCH. FEW DETAILS ON DELIBERATIONS AVAILABLE, BUT DELEGATES INDICATED PRIVATELY THAT EMPHASIS WAS ON COOPERATION, NOT CONFRONTATION, WITH CONSUMMERS. END SUMMARY

1. OPEC CONFERENCE WOUND UP 26 JANUARY WITH CLOSED MORNING SESSION FOLLOWED BY OPEN AFTERNOON SESSION FOR DISTRIBUTION OF COMMUNIQUE AND FORMAL CLOSING.

2. INFORMATION LEAKING OUT OF CONFERENCE PRIOR TO COMMUNIQUE AND COMMUNIQUE ITSELF INDICATE:

(A) OPEC SUMMIT CONFERENCE WILL IN PRINCIPLE MEET IN ALGIERS END FEBRUARY/EARLY MARCH (COMMUNIQUE GIVES 21 FEB-8MAR TIME FRAME). SUMMIT TO BE PRECEDED BY EXPERTS MEETING IN VIENNA ON FEBRUARY 8 AND TWO MINISTERIAL MEETINGS, ONE IN VIENNA 19/20 FEBRUARY AND ANOTHER IMMEDIATELY PRECEDING OPEC SUMMIT.

(B) OPEC HAS AGREED TO WHAT IS CALLED "FRENCH PROPOSAL FOR MEETING OF INDUSTRIALIZED COUNTRIES AND LDCS TO STUDY PROBLEMS OF RAW MATERIALS AND DEVELOPMENT" IN ORDER TO FURTHER "TURE INTERNATIONAL COOPERATION" AND "DIALOGUE."

3. ALGERIANS HAVE ALSO SURFACED PROPOSAL ON PRICING. THEIR PROPOSITION INVOLVES CONTINUATION OF FREEZE IN 1975 AND PRICE INCREASES IN 1976 AND 1977 BASED ON AN INDEX CORRELATED TO "CERTAIN FACTORS TO BE DEFINED" AND RATE OF INFLATION. HOWEVER, INCREASE WOULD ONLY BE APPLIED AT 80-90 PERCENT OF MATHEMATICAL RATE IN 1976 AND 1977. VAGUENESS OF THIS WORDING AND OMISSION OF ISSUE IN FINAL COMMUNIQUE REFLECTS CONFERENCE FOCUS ON GENERALITIES RATHER THAN ON NUTS AND BOLTS.

4. DURING COURSE OF JANUARY 25 RECEPTION (NOT DINNER) OFFERED FOR DELEGATES, DIPLOMATIC CORPS AND JOURNALISTS BY FONMIN BOUTEFLIKA, I HAD CHANCE TALK TO MEMBERS MOST OF DELEGATIONS. THEY WERE NOT SAYING MUCH, BUT MESSAGE CONVEYED BY SAUDI (YAMANI), VENEZUELAN AND CONFIDENTIAL

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NIGERIAN WAS THAT CONFERENCE HAD DECIDED ADOPT POSITION OF COOPERATION RATHER THAN CONFRONTATION. YAMANI, FOR INSTANCE, SAID EFFORT WOULD BE MADE KEEP REFERENCES TO IMPERIALISM OUT OF COMMUNIQUE IT TRUE IMPERIALISM NOT MENTIONED BY NAME, BUT WE CONDEMNED BY IMPLICATION IN THIRD PARA COMMUNIQUE). IF ALGERIANS EXPECTED CONFERENCE TO ISSUE CALL FOR JIHAD AGAINST INDUSTRIALIZED COUNTRIES, THEY WERE DISAPPOINTED.

THERE ARE RUMORS THAT SUCH IS IN FACT THE CASE, I.E. THAT THEY ARE DISAPPOINTED, BUT WE AS YET HAVE NO HARD FACTS TO BACK THESE RUMORS UP. BOTH BOUTEFILKA AND MINISTER OF ENERGY ABDESSELAM LOOKED CHEERFUL ENOUGH LAST NIGHT AND THERE WAS NO AUDIBLE GNASHING OF TEETH.

5. YAMANI AND NIGERIAN AMBASSADOR, EACH IN SEPARATE WAYS, INDICATED THAT THERE WAS CONSIDERABLE APPREHENSION AMONG CONFEREES AS TO INTENTIONS USG, BOTH MILITARILY AND ECONOMICALLY. NIGERIAN, FOR INSTANCE, SAID MOST DELEGATES COULD NOT BELIEVE WE WOULD UNDERTAKE ANYTHING AS POLITICALLY CATASTROPHIC AS SEIZURES OF OIL FIELDS, BUT THEY ALSO REALIZED THIS WAS A MAD WORLD WE LIVE IN AND BELIEVED THEY MUST TAKE SERIOUSLY STATEMENTS BY SENIOR USG OFFICIALS. YAMANI QUIZZED ME AT LENGTH ON OUR POSITION RE TRIPARTITE AS OPPOSED BIPARTITE CONFERENCE AND THEN SAID HE ALREADY KNEW AND UNDERSTOOD OUR RATIONALES, BUT SOME OF HIS COLLEAGUES (INDICATING THE IRAQI AND LIBYAN OIL MINISTERS TO WHOM HE HAD JUST INTRODUCED ME) DID NOT. HIS COMMENT EXPLAINED BY FACT COMMUNIQUE REFERS TO "FRENCH" PROPOSAL FOR CONFERENCE GROUPING INDUSTRIALIZED COUNTRIES AND LDCS.

6. CONCLUSION: BELIEVE CONFERENCE RESULTS BETTER THAN WE HAD ANTICIPATED AS FAR AS INTERESTS INDUSTRIALIZED COUNTRIES CONCERNED. FOR WHATEVER REASONS, CONFERENCE HAS DECIDED TAKE PATH OF RELATIVE MODERATION. HOPE WE WILL BE ABLE TO DEMONSTRATE THAT MODERATION PAYS.
PARKER

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